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**Louisiana Wildlife and Fisheries Foundation
Baton Rouge, Louisiana
December 31, 2007**

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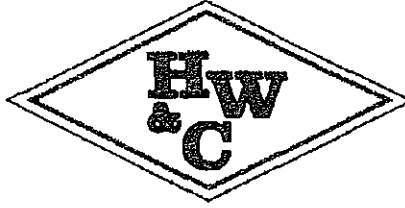
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June 30, 2008

Independent Auditor's Report

Board of Directors
Louisiana Wildlife and Fisheries Foundation
Baton Rouge, Louisiana

We have audited the accompanying statement of financial position of the Louisiana Wildlife and Fisheries Foundation as of December 31, 2007, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements for the year ended December 31, 2006 were audited by other auditors whose report is dated May 10, 2007, expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Wildlife and Fisheries Foundation as of December 31, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 30, 2008 on our consideration of the Louisiana Wildlife and Fisheries Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important in assessing the results of our audit.

Yours truly,

Hawthorn, Waymouth & Carroll, LLP
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Louisiana Wildlife and Fisheries Foundation
Statements of Financial Position
December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Assets		
Cash	\$615,823	\$717,323
Time deposits	4,015,843	3,720,783
Accrued interest receivable	27,408	44,627
Office equipment, net of depreciation	<u>2,124</u>	<u>2,731</u>
Total assets	<u>4,661,198</u>	<u>4,485,464</u>
Liabilities		
Accounts payable	93,418	50,000
Accrued expenses	<u>3,437</u>	<u>733</u>
Total liabilities	<u>96,855</u>	<u>50,733</u>
Net Assets		
Unrestricted	775,960	650,228
Temporarily restricted	<u>3,788,383</u>	<u>3,784,503</u>
Total net assets	<u>4,564,343</u>	<u>4,434,731</u>
Total liabilities and net assets	<u>4,661,198</u>	<u>4,485,464</u>

The accompanying notes are an integral part of these financial statements.

Louisiana Wildlife and Fisheries Foundation
Statements of Activities
Years Ended December 31, 2007 and 2006

	December 31, 2007			December 31, 2006		
	Unrestricted	Temporarily Restricted	2007 Total	Unrestricted	Temporarily Restricted	2006 Total
Revenues and Reclassifications						
Contributions	\$115,050	\$243,523	\$358,573	\$24,893	\$631,627	\$656,520
Proceeds from consent decrees					2,000,000	2,000,000
Interest	<u>188,332</u>	<u> </u>	<u>188,332</u>	<u>164,980</u>	<u> </u>	<u>164,980</u>
Total revenues before reclassifications	303,382	243,523	546,905	189,873	2,631,627	2,821,500
Net assets released from restrictions	<u>239,643</u>	<u>(239,643)</u>	<u> </u>	<u>627,703</u>	<u>(627,703)</u>	<u> </u>
<u>Total revenues and reclassifications</u>	<u>543,025</u>	<u>3,880</u>	<u>546,905</u>	<u>817,576</u>	<u>2,003,924</u>	<u>2,821,500</u>
Expenses						
Grants (Projects)	249,795		249,795	632,617		632,617
Other program expenses	<u>42,855</u>	<u> </u>	<u>42,855</u>	<u>43,956</u>	<u> </u>	<u>43,956</u>
Total program expenses	<u>292,650</u>	<u> </u>	<u>292,650</u>	<u>676,573</u>	<u> </u>	<u>676,573</u>
Management and general expenses	23,190		23,190	13,618		13,618
Fund raising expenses	<u>101,453</u>	<u> </u>	<u>101,453</u>	<u>18,932</u>	<u> </u>	<u>18,932</u>
Total management and funding raising expenses	<u>124,643</u>	<u> </u>	<u>124,643</u>	<u>32,550</u>	<u> </u>	<u>32,550</u>
<u>Total expenses</u>	<u>417,293</u>	<u> </u>	<u>417,293</u>	<u>709,123</u>	<u> </u>	<u>709,123</u>
Increase in Net Assets	125,732	3,880	129,612	108,453	2,003,924	2,112,377
Net Assets						
Beginning of year	<u>650,228</u>	<u>3,784,503</u>	<u>4,434,731</u>	<u>541,775</u>	<u>1,780,579</u>	<u>2,322,354</u>
End of year	<u>775,960</u>	<u>3,788,383</u>	<u>4,564,343</u>	<u>650,228</u>	<u>3,784,503</u>	<u>4,434,731</u>

The accompanying notes are an integral part of these financial statements.

Louisiana Wildlife and Fisheries Foundation
Statements of Cash Flows
Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash Flows from Operating Activities		
Increase in net assets	\$129,612	\$2,112,377
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	607	304
Decrease in receivables	17,219	6,661
Amounts due under consent decree		1,700,000
Increase in accounts payable	<u>46,122</u>	<u>733</u>
<u>Net cash provided by operating activities</u>	<u>193,560</u>	<u>3,820,075</u>
Cash Flows from Investing Activities		
Purchase of office equipment		(3,035)
Acquisition of time deposits	<u>(295,060)</u>	<u>(3,220,783)</u>
<u>Net cash used in investing activities</u>	<u>(295,060)</u>	<u>(3,223,818)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(101,500)	596,257
Cash and Cash Equivalents		
Beginning of year	<u>717,323</u>	<u>121,066</u>
End of year	<u><u>615,823</u></u>	<u><u>717,323</u></u>

The accompanying notes are an integral part of these financial statements.

Louisiana Wildlife and Fisheries Foundation
Notes to Financial Statements
December 31, 2007

Note 1-Summary of Significant Accounting Policies

A. Nature of Activities

The Louisiana Wildlife and Fisheries Foundation (the Foundation) was incorporated in Louisiana on August 8, 1996. The Foundation was organized solely for the benefit of and in connection with the work of the Louisiana Department of Wildlife and Fisheries (the Department) and the Louisiana Wildlife and Fisheries Commission (the Commission) including promotion, development, expansion and improvement of the facilities of the Department and Commission. The Foundation exists to encourage public conservation and enjoyment of wildlife and fish resources, and to increase the usefulness of the Department and Commission to the citizens of the State of Louisiana. The Foundation provides a means for individuals and corporations to become partners with the Department and Commission in the conservation of Louisiana's fish and wildlife resources, and has spearheaded a multitude of projects including cooperative endeavors with state and federal agencies and the private sector for fish and wildlife enhancement.

B. Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting.

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. Unrestricted net assets are resources that are free of donor-imposed or time restrictions and are available at the direction of the governing board. Temporarily restricted net assets are resources that are limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations. Permanently restricted net assets are those resources whose use by the organization is limited to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Foundation. The Foundation does not currently have any permanently restricted net assets.

C. Cash and Cash Equivalents

Cash equivalents consist of cash balances other than those classified as time deposits which may have maturities of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

For purposes of the statements of cash flows, the Foundation does not consider time deposits with maturities of ninety days or less when acquired to be cash equivalents.

D. Contributions

The Foundation reports gifts of cash and other assets as restricted contributions when they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (such as when the stipulated time restriction ends or the purpose of the restriction is accomplished) temporarily restricted net assets are released to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Net assets are primarily released from donor restrictions after the purpose of the restriction is accomplished. Donor restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

Louisiana Wildlife and Fisheries Foundation
Notes to Financial Statements
December 31, 2007

Note I-Summary of Significant Accounting Policies (Continued)

E. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

F. Gifts of Marketable Securities and Other Items

Gifts of marketable securities and other noncash items are recorded as contributions at their fair values at the date of the donation.

G. Donated Services

No amounts have been reflected in the financial statements for donated services. The Foundation pays for most services requiring specific expertise. However, many individuals volunteer their time especially the Board of Directors and perform a variety of tasks that assist the Foundation with its activities.

H. Fixed Assets and Depreciation

Fixed assets are recorded at cost. Depreciation is recognized on the straight-line method over the estimated service lives of five years.

I. Grants

Grants are recorded as expenses when they are approved by the Board of Directors for payment.

J. Functional Expenses

Functional expenses not directly attributable are allocated between program, management and general, and fund raising expenses based upon an estimate of employee time spent on each function. Management and general expenses include those expenses that are not directly identifiable with other specific functions but provide for the overall support and direction of the Foundation.

K. Income Tax

The Foundation is a nonprofit organization which has qualified as such under Sections 501(c)(3) and 509(a)(2) of the Internal Revenue Code and is not subject to federal or state income tax.

L. Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Louisiana Wildlife and Fisheries Foundation
Notes to Financial Statements
December 31, 2007

Note 2-Proceeds of Consent Decree

On December 31, 2005, a consent decree between ExxonMobil Corporation and the U.S. Environmental Protection Agency and the Louisiana Department of Environmental Quality awarded the Foundation \$1,700,000 to be used exclusively for the acquisition of coastal lands which are (a) important as fish and wildlife habitat, or (b) important to the enhancement of the state's coastal restoration effort or both. Once acquisition of the above reference lands has been accomplished, the Foundation will execute an act (or acts) of donation(s) of said lands to the Department and the Commission.

On April 28, 2006, a consent decree between Chalmette Refining, L.L.C. and the Louisiana Department of Environmental Quality awarded the Foundation \$2,000,000 to be used for the same purposes and with the same stipulations outlined in the preceding paragraph.

Note 3-Office Equipment

Office equipment is as follows:

	<u>2007</u>	<u>2006</u>
Office equipment	\$3,035	\$3,035
Less accumulated depreciation	<u>911</u>	<u>304</u>
<u>Total equipment</u>	<u>2,124</u>	<u>2,731</u>
Depreciation expense	<u>607</u>	<u>304</u>

Note 4-Net Assets

Temporarily restricted net assets consist of the following:

	<u>2007</u>	<u>2006</u>
Various wildlife and fisheries projects	\$88,383	\$84,478
Hurricane relief fund		25
Proceeds from ExxonMobil consent decree	1,700,000	1,700,000
Proceeds from Chalmette Refining, LLC consent decree	<u>2,000,000</u>	<u>2,000,000</u>
	<u>3,788,383</u>	<u>3,784,503</u>

Note 5-Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risks consist of cash and time deposits. The Foundation maintains deposits in financial institutions located in the State of Louisiana and at times account balances may exceed federally insured limits.

At December 31, 2007, account balances in excess of the federally insured limits totaled \$3,536,718.

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June 30, 2008

**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Officers and Trustees
Louisiana Wildlife and Fisheries Foundation
Baton Rouge, Louisiana

We have audited the financial statements of the Louisiana Wildlife and Fisheries Foundation as of and for the year ended December 31, 2007, and have issued our report thereon June 30, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Louisiana Wildlife and Fisheries Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Wildlife and Fisheries Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

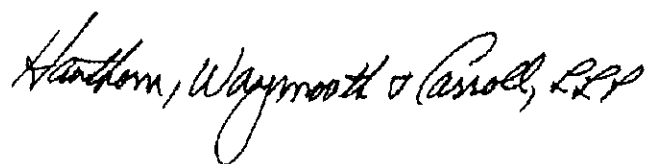
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Louisiana Wildlife and Fisheries Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, the Louisiana Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513 this report is distributed by the Legislative Auditor as a public document.

Yours truly,

A handwritten signature in cursive script, reading "Hawthorn, Waymouth & Carroll, LLP".

**Louisiana Wildlife and Fisheries Foundation
Schedule of Findings and Questioned Costs
December 31, 2007**

Findings - Financial Statement Audit

None.

Louisiana Wildlife and Fisheries Foundation
Schedule of Prior Year Findings
December 31, 2007

Findings - Financial Statement Audit

2006-1 Internal Control Deficiency

Observation:

The results of my tests disclosed that monies received are not always deposited timely. Upon receipt of a check, the Executive Director mails the checks to the Treasurer, who may be temporarily unavailable. This results in checks being deposited several weeks after the first time received.

Recommendation:

The checks should be deposited or mailed directly to the bank by the Executive Director, with a copy forwarded to the Treasurer. In addition, the checks should be stamped "For Deposit Only" immediately upon receipt.

Management's Response:

The Executive Director concurs with the above recommendation.

This finding was corrected in 2007.